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Recruiting '92

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College Placement Council, Inc. • 62 Highland Avenue • Bethlehem, PA 18017

Despite disagreement about whether the recession has in fact ended, employers are exhibiting *cautious* optimism in their 1991-92 hiring plans. Sixty-one percent of the 342 employers responding to the ***Recruiting '92*** survey expect to hire more graduates this year than they did last year. Overall, employers plan to hire 8.5 percent more graduates in 1991-92 than they hired in 1990-91.

By type of industry, services employers plan to increase their hiring rolls by 9.2 percent, manufacturing employers indicate a 5.8 percent increase, and government/nonprofit employers intend to increase the number of new hires by 15.5 percent. Note, however, that while the hiring plans of government/nonprofit employers show the greatest increase, these employers will only account for 8 percent of the jobs being offered. Most of the projected openings (56 percent) are in the services employers' arena.

This projected increase in hiring, however, is not on par with pre-recession hiring activity, reflecting employers' attitudes toward the state of the economy. Sixty-six percent of the responding employers said that they did not consider the recession over. Most cited a lack of positive indicators as the reason for their belief, though many noted that they did see slight improvement in the economy. Many speculated that recovery would be slow and indicated that they do not expect to see significant progress until early 1992, to the benefit of May graduates. If this hoped-for progress does not materialize, or if there is further erosion of the economy, hiring plans may, once again, be put on hold.

The recession has had various effects on recruiting activity over the past year, and those effects continue to ripple through the hiring arena. In 1990-91, employers greatly reduced their number of new hires, and some eliminated recruiting completely. Employers saw their turnover rates drop and their acceptance rates rise. In addition, employers reported an increase in the number of unsolicited resumes, indicating that 1990-91 graduates pursued positions that did not exist. The tight job market made it a buyer's market. Smaller employers, facing less competition from major corporations, found a greater number of highly qualified graduates available to them. In the past, smaller employers have been handicapped by lower starting salaries, a detractor not in evidence in the 1990-91 recruiting cycle.

The recession also triggered a round of downsizing, increasing the pool of experienced candidates, further tightening the job market not only for 1990-91 graduates but also for this year's graduates. In addition, the recession continues to affect some employers within industry groups and/or geographic regions. While some employers plan to expand, others continue to lay off employees, and 1991-92 graduates face competition from their experienced counterparts. In fact, a large number of employers (45 percent) believe there will be a surplus of graduates for a limited number of positions this year— except in some engineering and other technical fields, where shortages are chronic.

Starting salaries are projected to increase this year, but most increases will be conservative, meeting—but unlikely to exceed—the inflation rate. At the bachelor's-degree level, starting salaries for accounting and business graduates are expected to increase 2.3 and 2.4 percent, respectively. Engineering and computer science graduates alike can anticipate 3.1 percent higher starting salaries. In the humanities and social sciences, a 3.2 percent increase in starting salaries is projected. At the master's-degree level, business graduates can expect 3.4 percent

Continued on page 7

About The Study

The questionnaires for this report on recruiting projections were mailed on August 12, 1991 to 1,514 employer members of CPC to assess the current job market on new college graduates. Responses were received from 342 employers. The cooperation of the employers who responded to this survey is gratefully acknowlegded by CPC. Published annually, one free copy is provided to members of the College Placement Council, and *Salary Survey* subscribers. Additional copies of the report are available to members and subscribers for $20 each. Call CPC's order department at 800-544-5272.

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Respondents and Recruiting Projections

Questionnaires for ***Recruiting '92*** were sent to 1,514 CPC employer members to gain an assessment of recruiting activity projected for the 1991-92 recruiting season. Responses were received from 342 for a response rate of 22.6 percent. Forty-three percent of the responses were received from service employers who plan to hire 56 percent of the new college graduates this year. Forty-eight percent of the responses were received from manufacturing employers who plan to hire 36 percent of the new graduates, and 9 percent were received from nonprofit and government employers who plan to hire 8 percent. Sixty-one percent of the respondents indicated an increase in hiring projections for the 1991-92 recruiting season compared with last year's actual hires, while 75 percent intend to visit the same number or fewer campuses this year for recruiting new college graduates. The following table provides the industry breakdown on hiring and campus visits for the 1991-92 recruiting season.

Table 1
Respondents and Recruiting Projections

Industry	Number of Respondents	Percent of Total	Hires: +	/ =	/ -	Campus visits: +	/ =	/ -
Services Employers								
Accounting (Public)	4	1.2%	2	2			1	3
Banking (Commercial)	14	4.1	6	4	4	2	8	4
Banking (Investment)	2	0.6	2			2		
Communication Services	5	1.5	3		2	1	1	3
Computer Software / DP	9	2.6	5	2	1	4		5
Consulting Services	8	2.3	7		1	1	4	3
Engineering/Surveying/Environmental	17	5.0	12	1	4	4	9	4
Financial Services	14	4.1	10	2	2	1	7	6
Hospitality	4	1.2	3	1			2	2
Insurance	4	1.2	3		1	1		3
Merchandising	25	7.3	14	3	8	6	6	13
Publishing	2	0.6	1		1	1	1	
Research Organizations	4	1.2	3		1	2		2
Transportation	6	1.8	5	1		1	5	
Utilities	26	7.6	9	2	15	6	15	5
Other Services Employers	3	0.9	3				3	
Total Services Employers	147	43%	88	17	41	32	62	53
Manufacturing Employers								
Aerospace	17	5.0	11	2	4	3	9	5
Agribusiness	7	2.1	2	1	4	3	2	2
Automotive & Mechanical Equipment	22	6.4	12	3	7	7	7	7

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Table 1 Respondents and Recruiting Projections - continued

Industry	Number of Respondents	Percent of Total	Hires: +	Hires: =	Hires: -	Campus visits: +	Campus visits: =	Campus visits: -
(Manufacturing Employers Continued)								
Building Materials & Construction	8	2.3 %	7		1	4		4
Chemicals, Drugs, & Allied Products	27	7.9	22	1	4	11	8	8
Computers & Business Machines	9	2.6	4	2	3	4	2	3
Electrical & Electronic Machinery & Equipment	29	8.5	16	2	11	7	15	7
Food & Beverage Processing	7	2.1	6		1	1	3	2
Household & Personal Care Products	2	0.6	1		1	1		1
Metals & Metal Products	10	2.9	6	2	2	1	3	6
Packaging & Allied Products	1	0.3			1		1	
Paper & Wood Products	4	1.2	3		1		1	3
Petroleum & Allied Products	7	2.1	3		4		3	4
Printing	1	0.3			1		1	
Rubber Products	2	0.6	2			1		1
Scientific Equip. & Industrial Meas. Instruments	4	1.2	4			1	1	2
Stone, Clay, Glass, & Concrete Products	1	0.3	1					
Textiles & Apparel	3	0.9	1		2		2	1
Widely Diversified	2	0.6			2		1	1
Other Manufacturing Employers	1	0.3		1			1	
Total Manufacturing Employers	164	48%	101	14	49	44	60	57
Nonprofit Employers								
Education	1	0.3		1				1
Government (Federal)	20	5.9	11	3	6	6	5	9
Government (State & Local)	5	1.5	5			1	3	1
Hospitals	2	0.6	1		1		2	
Health Services (excl. Hosptials)	1	0.3	1					1
Membership Organizations	1	0.3			1			1
Other Nonprofit Employers	1	0.3	1			1		
Total Nonprofit Employers	31	9%	19	4	8	8	10	13
Total Respondents	342		208	36	97	84	132	123

Number of Hires and Average Starting Salaries

Overall, employers project hiring 8.5 percent more college graduates this year than they actually hired last year. The following table provides the industry group breakdown for hiring projections.

Table 2
Number of Hires

Industry Group	Number of Hires 91-92	Number of Hires 90-91	Percent Change
Services Employers	16,498	15,108	9.2%
Manufacturing Employers	10,590	10,005	5.8
Nonprofit and Government Employers	2,417	2,092	15.5
Total Number of Hires	29,505	27,205	8.5

Starting salaries are also projected to increase for 1991-92. However, these increases are very modest and are in line with current inflation. The following table shows the starting salaries projected for each discipline for bachelor's, master's, and doctoral degrees, compared with last year's actual starting salaries and the percentage change for each.

Table 3
Average Starting Salaries

	Average Starting Salary 91-92	Average Starting Salary 90-91	Percent Change
Bachelor's Degree			
Accounting	$26,910	$26,297	2.3%
Business (incl. Marketing, Economics & Finance, etc.)	25,672	25,056	2.4
Communications	24,031	23,913	0.5
Computer Sciences	30,215	29,293	3.1
Engineering	33,478	32,487	3.1
Humanities/Social Sciences	24,706	23,931	3.2
Sciences	29,015	28,324	2.4
Master's Degree			
Accounting	34,511	33,807	2.1
Business	40,096	38,794	3.4
Computer Sciences	36,636	36,391	0.7
Engineering	38,917	37,311	4.3
Sciences	34,863	34,250	1.8
Doctoral Degree			
Computer Sciences	53,365	52,135	2.4
Engineering	51,206	48,430	5.7
Sciences	46,574	46,172	0.9

Diversity

Information on minority hires for the 1990-91 recruiting season was received from 268 respondents. This group represents a total of 21,996 hires. Minorities accounted for 21.5 percent of these hires. The following table provides a breakdown of minority hires.

Table 4
Diversity

Minority	Number of Minority Hires	Percent of Minority Hires
Black	1,878	8.5%
Hispanic	982	4.5
Native American	69	0.3
Asian/Pacific Islander	1,795	8.2
Total	4,724	21.5

Availability of Graduates

A surplus of graduates available for projected openings was indicated by 45 percent (150) of the 333 responding employers. However, many employers have stated that shortages of graduates do exist in engineering and other technical areas. The following table provides the industry group breakdown on employer indications of availability.

Table 5
Availability of Graduates

	Surplus	Percent of Employer Type	Adequate Amount	Percent of Employer Type	Shortage	Percent of Employer Type	Total
Services Employers	70	49%	61	43%	11	8%	142
% of Availability Category	47%		42%		30%		
Manufacturing Employers	65	40%	73	46%	22	14%	160
% of Availability Category	43%		50%		59%		
Nonprofit and Government Employers	15	48%	12	39%	4	13%	31
% of Availability Category	10%		8%		11%		
Total Availability Category	150		146		37		333

Regional Recruitment

More employers (36.3 percent) recruit in the Midwest than in any other region; 28.7 percent recruit nationwide. The following table provides a regional breakdown of recruiting areas. Totals equal more than 100 percent of the respondents because multiple responses were accepted.

Table 6
Regional Recruitment

Region	Number of Responses	Percent of Total Respondents
National	98	28.7%
Northeast	77	22.5
Mid-Atlantic	49	14.3
Southeast	56	16.4
Midwest	124	36.3
South Central	15	4.4
Southwest	49	14.3
Rocky Mtn.	18	5.3
West/Pacific	32	9.4
International	5	1.5

Major Employer Concerns

Respondents were asked to comment on their chief concerns for the upcoming recruiting season. Except for diversity and its related issues, detailed in the table on page 5, the economy underpins all chief concerns. Employers are concerned that, if the economy does not show steady growth in the months ahead, projected orders will be cancelled, and use of services will be further reduced. Thus, projected job opportunities may not materialize. *That* feeds into another concern: how to maintain visibility on campus when they are not actively hiring. And maintaining visibility is further complicated by tight recruitment budgets; recruiters will visit fewer campuses this year, possibly eroding their companies' images on campuses not on the schedule. A final economy-related concern: the future availability of graduates in engineering and other technical fields. Employers expressed some concern that the current tight job market and higher level of competition for job opportunities might deter future students from pursuing these difficult fields.

Continued from page 1

higher starting salaries, while a 4.3 percent increase is projected for engineers.

Though this year's hiring outlook shows improvement over last year's, many colleges and universities will likely experience a drop in the number of companies recruiting on campus. In comparison to 1990-91, 75 percent of the respondents said they will either reduce or maintain the number of campuses at which they recruit. Among their reasons: a reduction in recruiting budgets, with the effect that recruiters will hire students from fewer campuses. On average, employers project a 12 percent decrease in the number of campuses they will visit this year over last year. As a result, employers are concerned about maintaining their visibility on campuses that they are not able to visit this year, but which they may wish to visit in a more prosperous economic climate.

Diversifying their work forces and the availability of minority candidates in engineering and other technical fields continue to be major concerns for employers. In 1990-91, minorities accounted for 21.5 percent of the new hires; this pool's composition was 8.5 percent black, 4.5 percent Hispanic, 0.3 percent Native American, and 8.2 percent Asian-American.

Data for ***Recruiting '92*** were collected from mid-August through the beginning of October. Overall, the 1991-92 outlook is better than last year's, and the hiring projections give 1991-92 graduates some hope. Employers, however, have the economy under a microscope, carefully watching for the tiniest movement. These projections, therefore, have to jump a series of hurdles to become reality in the spring.

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